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PROPOSED LEGISLATION WOULD MAKE WORK PAY

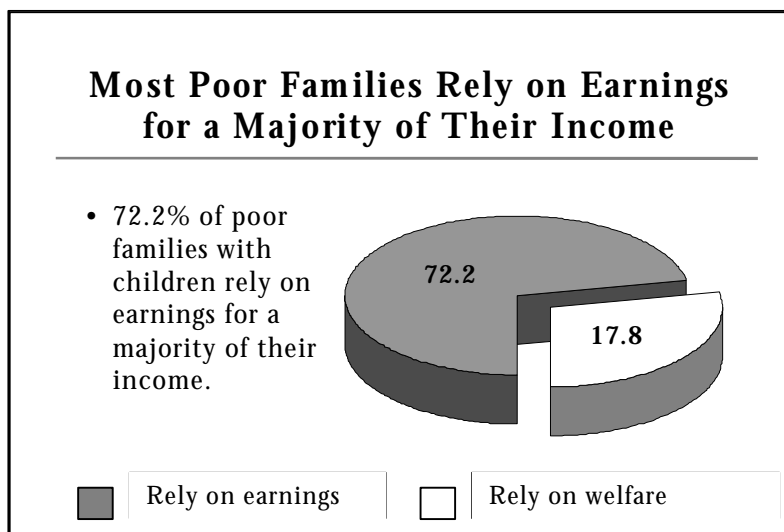
Two popular myths endure about Texas' poor. One is that most poor people don't work and don't want to work. The second is that work will raise these families out of poverty. Research conducted by the Center for Public Policy Priorities shows that these myths do not correspond with reality. Of the 3 million poor Texans, about 2 million have at least one working adult in their household. Moreover, the problem of poverty despite work is greater in Texas than in most other states. Bills to raise the state minimum wage or to require government contractors to pay a living wage offer one set of solutions to this problem.

The vast majority of all poor families in Texas includes at least one adult who worked. More than 80% of poor families with children and 56% of poor families and individuals without children had one or more adults who worked at some point in the year. About 900,000 Texas children live in working-poor families, along with nearly 700,000 parents. Another 300,000 individuals live in working-poor families without children.

Two out of five working-poor parents works full-time. Many of the working poor labor long hours, yet live in poverty. Thirty eight percent of poor Texas families with children contained at least one adult who worked full-time, year-round. In many families, both parents worked. But due to low wages, these families lived in poverty. In the average state, full-time workers are found in only 29% of poor families with children. Parents in working-poor Texas families with children worked an average of 45 weeks, or more than 10 months, out of the year in the late 1990s—almost a month more per year than the national average for working-poor parents.

Poor families get most of their income from work, not from welfare. Nearly 80% of poor Texas families with children get a majority of their income from wages. In the

average state only 69% of poor families rely on wages for most of their income. Only 13% of poor Texas families with children relied on welfare for a majority of their income, less than two-thirds of the national average. More than three-quarters—77%—of poor families with children who received welfare benefits in a given year also had a parent who worked at least part of the year.



Half of working-poor families with children are headed by a married couple. Two-parent households account for 49% of working-poor Texas families with children, a rate one-sixth higher than the national average. Just 44% of poor Texas working families with children are headed by a single female. The national average is 52%.

Three out of five working-poor Texas families with children are Hispanic. Nearly 60% of working-poor Texas families with children are Hispanic. In contrast, Hispanics make up one-third of all the state's working families. Black families account for 19% of working poor families with children, but only 12% of all working families.

The majority of working-poor Texas families with children are headed by someone who has not graduated from high school. More than half of all adults in working-

poor families with children lack a high school diploma or GED certificate. Just over one out of three working poor families with children nationally were headed by someone with less than a high school education.

The high percentage of household heads with low hourly earnings may explain Texas' high proportion of working poor families. More than 30% of Texas working parents have low hourly earnings, compared to a national rate of 25%. Texas' rate of low earnings among working parents has consistently been greater than the national average.

SOME BILLS THAT OFFER A
SOLUTION TO THE PROBLEM OF
POVERTY DESPITE WORK BY
RAISING WAGE RATES:

HB 533 (Thompson), which would raise the state minimum wage to the federal minimum wage, was reported favorably from the House Ways and Means Committee in February. The bill was considered in Calendars Committee on March 22, but not placed on the House Calendar.

HB 303 (Burnam), which would raise the state minimum wage to 3 1/3 times the HUD fair market rent for the area in which the employer is located, was left pending in the House Economic Development Committee on March 21.

HB 762 (Coleman), would require state contractors to pay at least three times the HUD fair market rent, was left pending in the House Economic Development committee on March 15.

SB 464 (Shapleigh), which would require state contractors to pay the higher of the local or statewide prevailing wage rate for similar work, was left pending in the Senate State Affairs Committee on March 19.

HB 110 (Oliveira)/ SB 350 (Truan), which would permit a school district to require contractors to pay a wage rate at least equal to the federal poverty line for a family of four. The Senate bill was left pending in the Senate Education Committee on March 21. The House bill has not had a hearing.

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